

Stateline Midwest

Vol. 23, No. 7
MLC Annual Meeting Edition

THE MIDWESTERN OFFICE OF THE COUNCIL OF STATE GOVERNMENTS

INSIDE

MLC Committees Meet 2-3

- **Education** — State policies help more high schoolers take, and pass, college-level courses
- **Midwest-Canada Relations** — Lawmakers raise concerns about increased border fees
- **Economic Development** — States turn to home-grown, “economic gardening” strategies
- **Agriculture & Natural Resources** — Bee populations in trouble; Minnesota responds
- **Health & Human Services** — Rise in use of e-cigarettes triggers slew of new state laws

Around the Region 4

- During two MLC meeting sessions, fiscal leaders explore strategies to plan for revenue volatility, spend tax dollars more wisely

Review of MLC Sessions 6-7

- New laws in Midwest reflect growing concerns about impact of drones on privacy
- Leading scholar on state governments examines evolution, and future, of legislatures
- Legislators discuss policy alternatives to improve mental health services for young people
- Pulitzer Prize-winning author Doris Kearns Goodwin tells stories of Lincoln, the Roosevelts

Profile 8

North Dakota Sen. Tim Flakoll, incoming Midwestern Legislative Conference chair

FirstPerson 9

Ohio Sen. Cliff Hite on a groundbreaking law in his state to prevent harmful algal blooms

CSG News & Events 10-11

Region's legislators pass 9 resolutions, elect new officers at MLC Annual Meeting

Capitol Clips 12

- 3 states expand earned income tax credit
- Minnesota first state to require ‘kill switches’
- Illinois bans plastic microbeads in products
- Indiana ‘right-to-work’ law in court’s hands

Stateline Midwest is published 12 times a year by the Midwestern Office of The Council of State Governments.



CSG Midwestern Office Staff

Michael H. McCabe, Director
Tim Anderson, Publications Manager
Cindy Calo Andrews, Assistant Director
Ilene K. Grossman, Assistant Director
Lisa R. Janairo, Senior Policy Analyst
Laura Kliewer, Senior Policy Analyst
Gail Meyer, Office Manager
Laura A. Tomaka, Senior Program Manager
Kathryn Tormey, Policy Analyst/Assistant Editor
Kathy Ireland, Administrative Coordinator and Meeting Planner

‘Zone of sanity,’ and an opportunity to grow

Keynote speaker Joel Kotkin says a number of economic, demographic factors favor the Midwest and its states

by Tim Anderson (tanderson@csg.org)

Since 2010, no U.S. state has come close to matching the population boom in North Dakota. Numbers in that state have jumped by close to 8 percent — more than three times the U.S. average.

“I never thought I would read the words, ‘The highest population growth ... was in North Dakota,’” Joel Kotkin said during his keynote speech at the Midwestern Legislative Conference Annual Meeting.

“It’s just an astounding statistic.”

The state’s oil and gas boom has largely fueled the recent migration patterns, but in his July presentation to the region’s state and provincial legislators, Kotkin argued that there is also more to the story.

A mix of economic, demographic and technological realities has made North Dakota and many other parts of the Midwest more alluring destinations for individuals, families and businesses.

“We’re seeing a demographic shift along with the economic shift,” he said. “People are reconsidering their options. Where are they going to live? Where do they want to be?”

Returning to the Midwest

For decades, the answer to those questions has been coastal cities and the South, with the consequences for many parts of the Midwest being population stagnation or decline.

But today, Kotkin said, this region — particularly its mid-sized cities and metropolitan areas — has become a more attractive alternative.

“The idea that people would be moving from Los Angeles to Sioux Falls would have been unthinkable 10 or 15 years ago, but it’s happening now,” he said.

Kotkin, an international authority on

Thank you to MLC meeting participants and contributors

CSG Midwest would like to thank the legislators and contributors who took part in this year’s Midwestern Legislative Conference Annual Meeting in Omaha, Neb.

The 2014 MLC Annual Meeting was held over four days; planning for the event was led by MLC chair Sen. Beau McCoy, legislative staff and his fellow senators in the Nebraska Unicameral Legislature.

This edition of *Stateline Midwest* highlights policy sessions and MLC committee meetings held during the conference, as well as actions taken by the region’s legislators. More information, including speaker presentations, is available at www.csgmidwest.org.

Next year’s MLC Annual Meeting will be held July 12-15 in Bismarck, N.D.



“The idea that people would be moving from Los Angeles to Sioux Falls would have been unthinkable 10 or 15 years ago, but it’s happening now.”

Joel Kotkin, keynote speaker at MLC Annual Meeting

economic and demographic trends, said the Midwest is benefiting from what he calls a relative “zone of sanity” — a place that offers affordable housing, quality schools and a good business climate.

“People are looking for a certain quality of life that existed in Boston, New York and L.A. 30 or 40 years ago but no longer exists today,” he said.

Meanwhile, technological changes are helping the region as well. North

Dakota’s economic boom — the result of advances in fracking — is perhaps the most obvious example.

But Kotkin also talked about the long-lasting, transformational effects of the Internet — namely the “telescoping” of information and culture.

“When I would visit North Dakota years ago, you would have two or three television stations, and if you wanted the *Wall Street Journal*, you got one that was

► PLEASE TURN TO PAGE 5



Joel Kotkin fields questions following his keynote presentation at the Midwestern Legislative Conference Annual Meeting. He talked positively about Midwestern states’ ability to leverage their traditional strengths in agriculture, energy and manufacturing to grow their economies. He said, too, that the region will benefit from its “zone of sanity” — affordable housing, for example, and good communities to raise a family.

CSG MIDWEST ISSUE BRIEFS

In July, the five policy committees of the Midwestern Legislative Conference held meetings on the first day of the MLC Annual Meeting in St. Paul, Minn. This month's Issue Briefs section summarizes some of the issues discussed at those committee meetings.

MLC Education Committee

State policies give more students exposure to rigors of college-level coursework

As part of their plans to improve college readiness among students, states and their schools are increasingly turning to a program that dates back more than 60 years, but whose long-held mission seems more relevant today than ever before.

Advanced Placement, or AP, courses bring college-level curricula and standards to the nation's high schools.

Over the past decade, the number of U.S. students participating in AP courses has close to doubled, and success rates have risen as well.

State policies are one reason for this 10-year trend, David Wakelyn, executive director of policy development for The College Board, said as part of a presentation to the Midwestern Legislative Conference Education Committee. (The College Board, a nonprofit, membership association of educational institutions, administers the AP program.)

In Indiana, for example, every school in the state

is now required to offer at least two AP courses. Florida builds AP courses into its K-12 education funding formula and offers bonuses to teachers for each student who gets a passing score on the end-of-course exam. In Arkansas, teachers are provided two weeks of summer training on AP instruction at one of four universities in the state.

Yet Wakelyn told state legislators that many qualified students still are not being exposed to the rigor of an AP course, which can help young people prepare for college.

"We have lots of students with untapped AP potential and lots of others who are not college-ready — only 43 percent of the [nation's] Class of 2013 met all college-readiness benchmarks [as measured by SAT scores]," he said.

That "untapped potential" is determined by comparing a student's SAT score with his or her participation in an AP course. In most states, including those in the Midwest, only about half of the students with SAT scores that show an ability to succeed in an AP course participate in one.

That is a missed opportunity, Wakelyn said, to challenge students, prepare them for college and,

Committee co-chairs



Illinois Sen.
Michael Freiches



South Dakota Rep.
Jacqueline Sly

in some cases, allow them to earn postsecondary credits. (Studies show that students who successfully complete an AP course are more likely to graduate from college, and to graduate on time, compared to their peers.)

Another concern is the persistent gap in AP participation among different groups of students. In 2013, for example, black students made up 14.5 percent of the nation's high school graduation class but only 4.6 percent of the students who successfully passed an AP exam.

Brief written by Tim Anderson (tanderson@csg.org). Mike McCabe (mmccabe@csg.org), director of the CSG Midwest office, serves as staff liaison to the MLC Education Committee.

MLC Midwest-Canada Relations Committee

Wary of harm to binational trade, lawmakers oppose fee hike on cross-border truck shipments

Concerned about the economic impact of a proposed fee increase on truck shipments moving across the U.S.-Canada border, the Midwest's state and provincial legislators are urging the U.S. Department of Agriculture to reconsider the plan.

The Midwestern Legislative Conference adopted the resolution on the final day of its four-day Annual Meeting in Nebraska. It originated from the MLC's Midwest-Canada Relations Committee, which met on the first day of the meeting.

Several speakers at that July committee meeting talked about the unique economic relationship between the United States and Canada, in which \$1.4 million in goods and services are exchanged every minute. The countries have the largest bilateral trading relationship in the world.

And the vast majority of goods traded between the United States and Canada are delivered by truck.

Trucks that cross the border into the United States are charged a fee to cover the costs of agricultural quarantine inspections. These inspections aim to keep foreign animal and plant pests and diseases from entering and establishing themselves in the United States. Fees are also paid by commercial aircraft, international airline passengers, commercial ships and rail cars.

The USDA's Animal and Plant Health Inspection

Committee co-chairs



Saskatchewan MLA
Wayne Elhard



Kansas House
Speaker Ray Merrick

Service (APHIS) wants to reduce the fees paid by some users (international passengers and rail cars, for example) because it says "current fees for these services generate more revenue than needed to cover their costs."

On the flip side, truck shipments would incur the largest cost increases under the proposal, which calls for a tripling of fees for trucks with transponders (from \$105 to \$320 per year). Fees for trucks without transponders would rise from \$5.25 per crossing to \$8.

According to APHIS, the fee increase on trucks is needed because "current fees do not generate sufficient revenue to cover the costs." The federal agency notes, too, that there has not been a major adjustment in agricultural quarantine inspection fees in nearly 10 years.

Under the proposed rule, these fee increases would be imposed on all truck shipments, whether or not they contain agricultural products, and

whether they are loaded or empty.

Ron Rienas, general manager of the Buffalo and Fort Erie Public Bridge Authority, told the MLC committee that this fee increase may inadvertently lead to longer delays at the border. Truckers may move to using cash in place of transponders, he said, and cash transactions take much longer to process.

Increasingly, Canada and the United States rely on cross-border supply chains to make things together. Products that are labeled "Made in Canada," for example, often have significant U.S. content, and these components will be subject to higher fees as they make their way up and back across the border.

In addition to asking federal officials to reconsider the fee increase, the MLC resolution seeks changes in border policy — namely, moving toward the pre-clearance of products whenever possible and basing border inspections on a reasonable assessment of risks.

The resolution was submitted during the public comment period for the proposed rule, and officers of the MLC Midwest-Canada Relations Committee have sent a letter to federal officials.

"While we recognize that there are costs associated with maintaining a well-functioning border, the increased inspection fees place a heavy burden on Canadian products," the letter reads.

"Canadian imports will be disproportionately affected as compared to imports from most other countries, whose products are most often shipped by other modes of transportation."

Brief written by Ilene Grossman (igrossman@csg.org), CSG Midwest staff liaison to the MLC Midwest-Canada Relations Committee.

MLC Economic Development Committee

States use ‘economic gardening’ to nurture home-grown businesses

Over the past few years, the Midwestern Legislative Conference Economic Development Committee has focused on strategies for the region to work collaboratively on growth strategies and to help states rely less on tax incentives for attracting business.

These themes were examined again by the committee during its meeting in Nebraska in July, with a particular focus on how states can provide greater support to two key drivers of economic growth: innovative companies and entrepreneurs.

One strategy attracting more interest across the region is the idea of “economic gardening”: nurturing home-grown companies. Using this approach, states offer technical assistance to second-stage firms looking to develop new markets or refine business models.

These younger businesses are important drivers of economic growth, but their needs often don’t fit traditional state economic development programs. Startups, for example, often get a hand from small-business organizations or public initiatives that provide financing assistance. More-established companies benefit most from tax breaks and workforce-development programs.

But what is available for second-stage companies, those firms that have moved beyond the startup phase but have not yet reached maturity? Not enough, many state leaders are saying. But

Committee co-chairs



Nebraska Sen.
Heath Mello



Michigan Rep.
Eileen Kowall

that is beginning to change thanks to programs in place in states such as Michigan and Nebraska.

Susan Holben, administrator for Michigan’s economic gardening program, told the MLC committee that participating companies receive assistance on everything from social-media marketing and market research, to search-engine optimization and data analysis of geographic information systems. The program targets companies with between six and 99 employees and annual revenue of between \$750,000 and \$50 million. It has served 200 firms, Holben said, 97 percent of which have achieved some level of growth.

Nebraska began a similar pilot initiative in 2011 as part of its Small Business Innovation Act. The 33 companies served by the initial program have had average increases of 9 percent in sales revenue and 31.5 percent in employment growth, said Joe Fox of the Nebraska Department of Economic Development.

Brief written by Laura Tomaka (ltomaka@csg.org), CSG Midwest staff liaison to the MLC Economic Development Committee.

MLC Agriculture & Natural Resources Committee

Minnesota takes steps to address loss of crucial bee populations

Bees are in trouble. The major pollinator of our fruit, vegetable and nut crops, they are also responsible for such agricultural staples as alfalfa, canola and sunflower.

What role can states and provinces play in helping save the population of their — and the continent’s and the world’s — pollinators?

The region’s legislators explored this question in July during a session of the Midwestern Legislative Conference Agriculture and Natural Resources Committee meeting, and learned how one state, Minnesota, already took significant steps in 2014.

In Europe, much of the blame for the loss of bee populations has been placed on neonicotinoids, the world’s most widely used pesticide. The European Commission has instituted a two-year restriction on the use of three pesticides belonging to the neonicotinoid family, all of which are used in the treatment of plants and cereals that attract bees. Some U.S. towns and states, meanwhile, have proposed outright bans.

But Marla Spivak of the University of Minnesota told legislators that the “issue and solution is a lot more complex.” All bee populations, she noted, are threatened by a variety of viruses and pests, but of prime concern is the loss of these pollinators’ only food source — flowers.

“Bees get all their nutrition from flowers, and a decline in diversity and an increase in chemical inputs in both agricultural and urban landscapes

Committee co-chairs



Indiana Rep.
Bill Friend



Minnesota Rep.
Rick Hansen

means there are not enough flowers to support their nutritional needs,” said Spivak, the university’s Distinguished McKnight Professor of Apiculture.

For example, fungicides used to keep lawns “weed free” have not only reduced the prevalence of wildflowers that bees depend on, but can also have ingredients that may be more toxic to bees than insecticides.

This year in Minnesota, legislators passed HB 2798 (the “pollinator truth-in-advertising bill”), which forbids nurseries from advertising plants as bee-friendly if a systemic insecticide has been used on them. A separate measure, HB 1926, requires prairie-restoration projects using money from the state’s Outdoor Heritage Fund to include a diversity of native flowering species.

The Legislature also allocated \$8.7 million for a new bee research facility. Beekeepers, too, will receive financial compensation for bees killed by pesticides; money will come from a pesticide regulatory account.

Brief written by Carolyn Orr (corr@sarl.us), CSG Midwest staff liaison to the MLC Agriculture and Natural Resources Committee.

MLC Health & Human Services Committee

Growing use of e-cigarettes raises public health, policy concerns

While widespread efforts to reduce tobacco use in the United States have successfully reduced smoking rates, policymakers are now facing the implications of a new type of nicotine use: e-cigarettes.

And although the technology is new, “electronic nicotine delivery systems” pose many of the same policy questions as traditional cigarettes.

At the July meeting of the Midwestern Legislative Conference Health and Human Services Committee, an expert from the U.S. Centers for Disease Control and Prevention said there are now more than 450 brands of e-cigarettes, and their use is steadily growing among former and current smokers. In 2011, 21.2 percent of current smokers reported having used an e-cigarette and 7.4 percent of former smokers reported use. (Just 1.3 percent of e-cigarette users reported being non-tobacco users.)

Committee co-chairs



Iowa Rep.
Joel Fry



Minnesota Sen.
Kathy Sheran

While some advocates argue that e-cigarettes pose fewer health risks than traditional tobacco, doctors warn that the contents of e-cigarettes can cause harm to users and the people around them. Experts at the CDC and elsewhere also believe the use of electronic devices could lead some people to eventually use traditional tobacco, or lessen the chances a cigarette smoker will quit.

In shaping policy to regulate e-cigarettes, states can look to strategies that have proven effective in limiting traditional tobacco use.

For example, increasing price is the most effective method of reducing cigarette use, according to the CDC. In 2012, Minnesota passed a law categorizing e-cigarettes, as well as components containing nicotine, as “other” tobacco products; they are taxed at 95 percent of the wholesale price.

Illinois, Indiana, Kansas, Minnesota, Ohio and Wisconsin are among the states that have prohibited sales to people 18 and younger, according to the National Conference of State Legislatures. Three U.S. states, including North Dakota, have included e-cigarette use in their indoor smoke-free laws.

Other policy options for states include adding warning labels to products and limiting certain marketing techniques — particularly those aimed at young people, such as flavors named after popular candies or breakfast cereals. Policy experts have also suggested prohibiting free samples and rebates.

Brief written by Kate Tormey (ktormey@csg.org), CSG Midwest staff liaison to the MLC Health and Human Services Committee.

MLC session focuses on how states can spend tax dollars more wisely

State budgets are filled with funding for hundreds, if not thousands, of programs that cover everything from juvenile justice to early education.

But do those programs work?

That's the question state policymakers should be asking, said Gary VanLandingham, director of the Pew-MacArthur Results First Initiative. He was one of the featured speakers during a session on smart spending at the Midwestern Legislative Conference's 2014 Annual Meeting in July.

The Results First Initiative, he says, is a "Consumer Reports guide" to state budgeting.

And it begins simply enough, with buy-in from state policymakers who say, "Let's preserve our most effective programs and cut things that don't really work."

"Everyone smiles and nods their heads," VanLandingham said. "The next question that comes up [is], How do we tell which is which?"

"Most states have evaluation offices, but they have a handful of people and they only do a handful of evaluations in a year."

Gary VanLandingham

Pew-MacArthur Results First Initiative

Many state agencies are required to report certain statistics — such as how many people are served each year — but those figures do little to help evaluate a program's return on investment.

"Most states have evaluation offices," he said, "but they have a handful of people and they can only do a handful of evaluations in a year."

"If they can do 15 evaluations a year but you're funding several thousand programs, then it will be several generations before they're all evaluated."

The Results First Initiative is currently working in 15 states — including Illinois, Iowa, Kansas and Wisconsin — to help policymakers. Its goal is to establish an improved method of budgeting based on a more thorough data analysis of state programs and then incorporating evidence-based practices.

The results can be dramatic.

Adrea Turner, a senior associate for Results First, said New Mexico has shifted close to \$50 million in funding toward evidence-based programming in its early-education, welfare and criminal justice programs.

"None of the states I've worked with have an inventory of their programs," Turner said. "When you start there, you're able to make some important decisions even before you get to the fancy cost-benefit analysis."

According to VanLandingham, states have typically only needed to dedicate two full-time-equivalent people to the Results First project.

"It needs to be someone that has the technical skills to do it ... and someone you think is an honest broker," he said, "because you have to be able to trust it."

Article written by Jennifer Ginn, CSG associate editor, who can be reached at jginn@csg.org.

Lawmakers hear how and why to better plan for revenue volatility

When the Great Recession began to hit states, they had a total of \$59.9 billion in reserves. A year later, total budget gaps were nearly double that figure, \$117.3 billion.

"States found themselves woefully short in terms of the amount of savings they had to offset the budget shortfalls created by the crisis," Robert Zahradnik of The Pew Charitable Trusts told lawmakers at the Midwestern Legislative Conference Annual Meeting. "A lot of that is because savings is not the highest priority when it comes to making state budgets."

The fiscal crisis is over, but it has opened new questions about budget planning and management. Prior to the Great Recession, for example, a fiscal reserve of 5 percent of the total budget was considered a sound target. Now, Zahradnik said, the preferred goal tends to be between 8 and 10 percent.

Part of the reason is that state revenue sources have simply become more volatile, thus the need to better plan for more-extreme "rainy days."

"You're very dependent as states on your wealthiest people; it's more pronounced than even five or 10 years ago," Scott Pattison, executive director of the National Association of State Budget Officers, said, noting that the personal income tax accounts for close to 44 percent of state general-fund revenue.

"[Wealthy individuals'] income is much more volatile today based on capital assets and because of changes in how they are compensated [bonuses and stock options, for example]."

At the moment, Pattison said, states as a whole are "slogging through" a fiscal period marked by stable but below-average revenue growth.

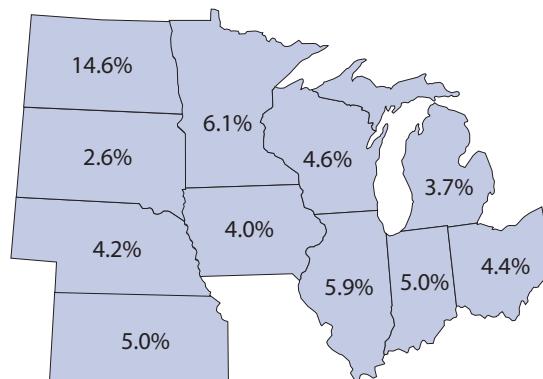
And though another recession does not appear on the horizon, Robin Prunty of Standard & Poor's Ratings Services had this warning for lawmakers: Economic downturns occur, on average, once every 6.6 years, and it has been five years since the last one.

Pattison said, too, that policymakers should plan for changes in the federal-state fiscal relationship; right now, nearly one-third of total state spending comes from the federal government (see pie chart).

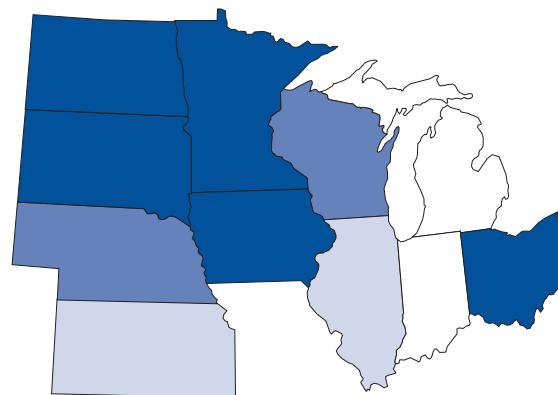
"Over the next five years, I believe you will see dramatic declines in growth or outright cuts from the federal government, except for Medicaid," he said.

Zahradnik provided a three-step outline for how states can plan for revenue volatility. First, conduct a study that focuses on historical patterns of volatility in tax collections. Second, tie the deposits made into budget stabilization funds to the study's findings. Third, set targets for the size of these funds based on the state's experience with volatility. Indiana and Michigan already link their rules on budget savings to one measure of volatility — fluctuations in personal income.

Fiscal volatility levels, based on standard deviation of total tax revenues



Rules governing deposits into budget stabilization funds



Based on year-end surpluses; savings not connected to volatility of economic/revenue conditions

Based on differences in projected and actual revenues; savings not connected to volatility of economic/revenue conditions

State does not have "true budget stabilization fund," as defined by The Pew Charitable Trusts

Based at least in part on economic or revenue volatility (fluctuations in personal income)

Source: The Pew Charitable Trusts

experience with volatility. Indiana and Michigan already link their rules on budget savings to one measure of volatility — fluctuations in personal income.

This year, the Illinois legislature passed a bill (SB 274) calling for a study of the volatility of its revenue sources, and Minnesota lawmakers will now require annual evaluations of the state's budget reserves (HF 1777) that are based on revenue volatility.

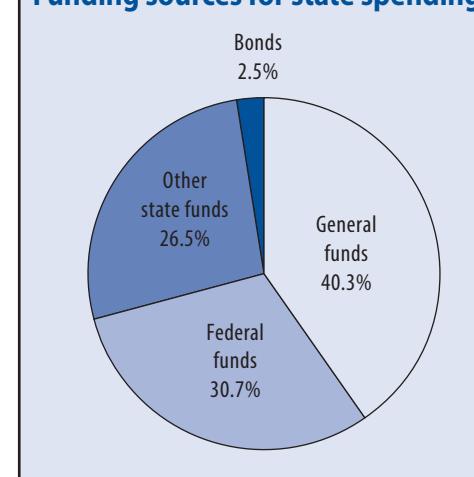
Article written by Tim Anderson, publications manager for CSG Midwest. He can be reached at tanderson@csg.org.

Three measures of fiscal recovery: Ending balances, reserves and pension contributions

Measure	Midwestern states that met this measure
Actual ending balance in FY 2014 greater than projected ending balance	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio and Wisconsin
FY 2014 reserve greater than FY 2008 reserve	Indiana, Michigan, Minnesota and South Dakota
State regularly contributes actuarially recommended pension contributions	Indiana, Michigan, Minnesota and South Dakota

Source: Standard & Poor's Ratings Services

Funding sources for state spending



Source: National Association of State Budget Officers

'Canaries in the coal mine': More educated workers, immigrants are coming to the Midwest

three or four days old that looked like the dog had chewed on it," he said.

"Now you can sit in a small town in North Dakota and have the exact same information as a commodity trader in New York or a movie executive in L.A."

Cultural amenities and diversity are expanding in many Midwestern communities as well, in part because of an influx of immigrants and their families. Population growth in the Great Plains region, for example, is increasing the fastest among two groups of people — those classifying themselves as "non-white Hispanic" (growth of 78 percent between 2001 and 2011) or "two or more races" (181 percent).

This rise in immigration, Kotkin said, should be welcome news to the region.

"[Immigrants and their families] go where the best place is to make a living, raise a family, buy a house."

In that sense, they are "canaries in the coal mine," he said, foretelling of larger demographic shifts that will favor communities in the Midwest.

"We're beginning to see the educated workforce also coming to this part of the country," Kotkin added, "and this is a very positive development."

Growing manufacturing, farm sectors

Throughout his talk, Kotkin emphasized the importance of not only attracting a quality workforce, but building it from within.

That is especially true to meet the changing needs of the manufacturing sector, where work has become increasingly sophisticated and is demanding more of employees.

"Much of the growth in this industry is going

Joel Kotkin's ideas on how policymakers can help spur economic resurgence

- ✓ **Focus on skills training** — According to the National Skills Coalition, \$22 billion in federal funds goes to higher education on an annual basis, compared to \$3.5 billion for workforce training. Kotkin recommends that states help close this gap by investing more in jobs-based skills training.
- "We have a whole generation that is getting into their 60s who, if they've done something physical, they're probably ready to retire," Kotkin said. "So the fact is that there is a huge opportunity for young people."
- ✓ **Maintain advantages in housing, schooling and egalitarian culture** — In larger coastal cities, Kotkin said, real estate prices have simply become too expensive for many individuals and families. One result is that more people are looking to the Midwest and its communities, which offer affordable housing, good schools and cultural amenities that continue to diversify and improve.
- "We have an incredible differential in affordability, and so that means the options of where to live are going to change, particularly for people as they get into their 30s and want to raise a family," Kotkin said.
- ✓ **Be who you are** — Kotkin warned legislators not to focus on their state or metropolitan area becoming "the next Silicon Valley" or "next Austin." Instead, he said, successful growth strategies identify and build on existing strengths. For the Midwest, that means "basic industries" such as agriculture, energy and manufacturing — all of which have bright futures thanks to global demographic and economic trends.
- "Every region has to find its own space," he said. "Every metropolitan region has to find its own space. It's important to find out what your economic strengths are."

to be fed by the education system, and let's face it, this part of the country is more dependent on this than the rest of the country," Kotkin said.

In fact, every state in the Midwest lands in the top half of states for manufacturing as a share of gross state product.

To address the needs of this sector and its workers, Kotkin recommends greater state investments in worker training and more emphasis on preparing the next generation of machinists, plumbers, pipe fitters and other skilled laborers.

"The biggest problem we have in this country is a stunted middle class, and the problems of creating middle-class jobs," he said. "That depends on higher-quality, blue-collar jobs."

Along with manufacturing, the Midwest's other traditional economic strength has been agriculture. That sector has been booming, as evidenced by the fact that the nation's agricultural exports have nearly tripled since 2000.

Considering global trends, Kotkin said, agriculture should continue to thrive. And no region is better positioned to "feed the world" than the Midwest.

"As larger parts of the world begin to achieve middle class status, there is growing demand, particularly for protein and those things that develop protein," Kotkin said. "This is going to be tremendously useful for grain producers and pork producers." 

Thank You to the 2014 MLC Annual Meeting Contributors

CHAIR'S CIRCLE CONTRIBUTORS



DIAMOND CONTRIBUTORS

- » Enbridge Energy Company, Inc.
- » Mutual of Omaha Insurance Company

PLATINUM CONTRIBUTORS

- » Cox Communications
- » Union Pacific Corporation
- » Johnson & Johnson*

GOLD CONTRIBUTORS

- » Government of Canada
- » ITC Holdings Corporation
- » Government of the Republic of China (Taiwan)
- » United Parcel Service*

SILVER CONTRIBUTORS

- » Agrium US Inc.
- » Alegent Creighton Health
- » Altria Client Services*
- » American Coalition for Clean Coal Electricity*
- » Archer Daniels Midland*
- » AT&T*
- » Bayer HealthCare*
- » Black Hills Energy
- » BNSF Railway
- » Cargill*
- » Genentech, A Member of the Roche Group*
- » GlaxoSmithKline*
- » Illinois Tool Works
- » Intuit
- » Kraft Foods Group, Inc.*
- » Lilly USA LLC*
- » Nebraska State Education Association
- » PhRMA
- » Reynolds American
- » Walmart*
- » WellPoint, Inc.

BRONZE CONTRIBUTORS

- » 3M Company*
- » American Chemistry Council*
- » Ash Grove Cement
- » Associated Beverage Distributors of Nebraska & National Beer Wholesalers Association*
- » Astellas Pharma US, Inc.*
- » Biotechnology Industry Organization*
- » Blue Cross and Blue Shield of Nebraska*
- » CHS
- » Creighton University
- » CropLife America*
- » DuPont*
- » Great Plains Communications
- » Greater Omaha Chamber
- » Hewlett-Packard Company*
- » HDR Inc.
- » Home Instead Senior Care
- » Husch Blackwell
- » The Karol Group

- » League of Nebraska Municipalities
- » Merck
- » Monsanto
- » Motorola Solutions
- » Nebraska Bankers Association
- » Nebraska Chamber of Commerce & Industry
- » Nebraska Medical Association
- » Nebraska Public Power District
- » Novartis Pharmaceuticals Corporation*
- » Omaha Public Power District
- » Pinnacle Bank
- » POET
- » Radcliffe and Associates
- » Sprint Nextel*
- » State and Federal Communications, Inc.*
- » State Government Affairs Council
- » Tenaska, Inc.
- » University of Nebraska
- » Walgreen Co.*
- » Wells Fargo & Company*

FRIENDS

- » Amway*
- » Dairyland Power Cooperative

* denotes CSG Associates

Rise of drones forcing states to reconsider laws governing privacy, police

Aerial and camera surveillance of public areas is nothing new, but as lawmakers learned this July during a roundtable discussion, advances in technology are raising new policy questions about everything from privacy and private property to the practices of law enforcement.

Take, for example, the increased capabilities of a drone.

It now can be equipped with high-resolution cameras that observe objects, in detail, as small as 6 inches from as far as 17,000 feet away and can track 65 different targets over a 65-square-mile zone.

"There are a lot of good things that drones can be used for," said Jeramie Scott of the Electronic Privacy Information Center, noting how effective and inexpensive they have become.

"But there need to be some types of guidelines in place for their use."

States have a central role to play in setting those guidelines, added Scott, who helped facilitate the discussion among state and provincial lawmakers at the Midwestern Legislative Conference Annual Meeting.

As participants learned, legislatures are just beginning to address the myriad issues arising from the increased use and capabilities of drones. To date, their actions have largely centered on law enforcement.

Last year, for example, Illinois adopted a measure (SB 1587) requiring police to demonstrate probable cause and obtain a warrant before employing unmanned surveillance aircraft. The bill included several exemptions — the filming of traffic accidents, for example, and drone use for crime scenes on public property and searches for missing persons.

Under the new law, Illinois legislators also put in place limits on law enforcement's retention and sharing of information collected by unmanned surveillance aircraft. Police departments, too, must disclose the number of drones they have.

Earlier this year, the Indiana, Iowa and Wisconsin legislatures adopted new drone restrictions as well.

Wisconsin's SB 196 prohibits the warrantless use of drones (with exceptions for certain emergency situations) in a "place or location where an individual has a reasonable expectation of privacy." The same goes for the use of drones by individuals. Wisconsin lawmakers made it a Class A misdemeanor to use a drone to photograph, record or observe others in non-public places.

The new laws in Indiana (HB 1009) and Iowa (HF 2289) also require law enforcement to obtain warrants, and Iowa's statutory change prohibits the use of drones for traffic enforcement.

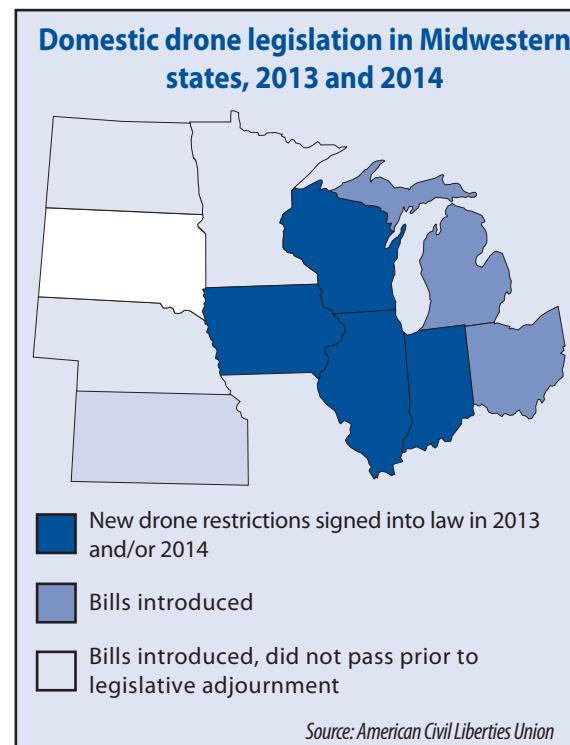
In the years ahead, state legislators will likely confront other policy questions due to the greater presence of drones. For example, how high in the sky should one's private property rights be extended, as well as the rights to privacy on that property?

And what kind of expectation of privacy should an individual have in a public place?

"A lot of the privacy we've had, particularly privacy in public, has been the result of the lack of technology or cost limitations to surveil people," Scott said.

Those practical limitations are falling by the wayside, he added.

According to the Electronic Privacy Information Center, drones can carry infrared cameras, heat sen-



sors, global positioning systems, automated license plate readers and sensors that detect movement. Scott added, too, that domestic drones could soon include facial recognition technology.

Regulating their use by law enforcement is a policy area where government can clearly intervene. It will be more complicated, and legally problematic, if and when states try to curb the use of drones in public places by individuals or by private industry for commercial use, Scott said.

Article written by Tim Anderson, publications manager for CSG Midwest. He can be reached at tanderson@csg.org.

State legislatures have risen in stature and power, but challenges remain

Earlier this year, *Roll Call* — the news source dedicated to covering Capitol Hill — ran a short headline that summed up much of U.S. policymaking today.

"It's the states, stupid," the magazine declared.

Gridlock continues to reign in the nation's capital, with power divided among two political parties that have become more ideologically distinct and among members of U.S. Congress who have become more ideologically distant from one another.

That contrasts with trends at the state level, where a single party now controls the governor's office and both legislative chambers in close to 80 percent of state capitols. That is the highest rate of unified government in more than 50 years.

In the Midwest, powers are now only shared in one of the region's states, Iowa.

"States are where the action is at this point," Boise State University professor Gary Moncrief, a leading scholar on state governments and legislatures, said during a plenary session held in July at the Midwestern Legislative Conference Annual Meeting.

He used the *Roll Call* headline and various other national news sources to underscore the point.

But he also pulled out book excerpts to tell the story of a very different era, when state governments were called everything from "tawdry" and "incompetent" to "inefficient and corrupt."

"If you go back 30 or 40 years, the headline would have been, 'It's the stupid states,'" Moncrief said.

The changes over the past few decades didn't happen by accident, he added. Rather, they resulted from deliberate actions to improve the responsiveness and capacity of state legislatures.

The first step was redistricting reform in the 1960s. Prior to the reforms, there were dramatic variances in the population size of different legislative districts. In most Midwestern states, for example, about one-third of the population could elect a legislative majority due to an unequal weighting toward rural areas.

Next, Moncrief said, came a modernization of legislatures.

Most started meeting annually rather than biennially; staffing levels greatly increased (in Illinois, for example, the legislature only had 24 people on staff in 1965, compared to close to 1,000 today); facilities were upgraded; and legislator salaries were increased.

"These reforms were largely effective in making legislatures co-equal branches of government," Moncrief said.

Indicators of changes in state legislative capacity

Indicator	1979	2009	% change
Median salary	\$23,098 (2009 dollars)	\$20,806	-9.9%
Median days in session	58.5	59.5	+1.7%
Median staff per member	2.7	3.9	+44.4%

Source: Gary Moncrief and Peverill Squire, "Why States Matter"

But new pressures and constraints are again challenging state legislatures and the people who serve in them.

For starters, members are simply representing and providing constituency services to more people.

"We're not making new legislative seats, but the population keeps growing," Moncrief said.

Term limits, meanwhile, have become an institutional fact of life in states such as Michigan, Nebraska, South Dakota and Ohio. Legislative term limits have also been proposed in Illinois this year, and in Michigan, some groups are pushing for a ballot initiative that would make its legislature part-time.

In some states, too, the recall of elected officials has become more common, and the ballot initiative is more frequently used to enact policy changes.

Pay, meanwhile, hasn't kept up with inflation; the median salary for legislators fell by 10 percent between 1979 and 2009.

During his presentation, Moncrief urged lawmakers to protect their state legislative institutions — both while serving in capitols and while running for office — and to consider the importance of these institutions as checks against the power of the executive and outside interest groups.

They will also need the institutional capacity to carry a heavier policy load if gridlock continues in Washington, D.C.

"States are going to take on a lot more responsibility for governing on their own," Moncrief said.

Article written by Tim Anderson, publications manager for CSG Midwest. He can be reached at tanderson@csg.org.

BRIEFS ON SELECT MLC SESSIONS

Early intervention is key to treating youth with mental illness

More than 20 percent of people ages 13 to 18 face a mental illness serious enough to cause significant impairment in their day-to-day lives. Yet in our country, just one-fifth of young people with a mental illness receive treatment.

How best to address the mental health needs of young people was the topic of a roundtable discussion at the Midwestern Legislative Conference Annual Meeting. Successful treatment comes down to delivering the right care at the right time, said Sita Diehl of the National Alliance on Mental Illness, who led the discussion among state and provincial legislators.

And the consequences of children not being effectively treated are severe. One out of every two young people with a serious mental illness drops out of school, Diehl says. And 70 percent of the youths in state and local justice systems have a mental illness; of those, 20 percent of the cases are severe.

If those children had received care before they had reached a crisis, Diehl told lawmakers, the outcome may have been very different.

"If we play our cards right now, we can change the trajectory of their lives," she said.

So how can state policymakers help improve outcomes for these millions of young people while saving money on acute care later in life?

Diehl laid out a list of five priorities.

The first is early identification, since half of all mental illnesses appear before age 14 and three-quarters by age 24.

"When identified early, childhood mental disorders can be addressed through community-based, family-oriented services at a fraction of the cost of intensive care," she says.

Medicaid requires mental-health screening, but many states inadequately provide these services, according to Diehl. Promising approaches include requiring psychiatric screening at every well-child checkup covered both in public programs and private plans, including those offered in health exchanges. The National Alliance on Mental Illness also recommends offering screening and follow-up in schools.

Another option for states is to extend the age of eligibility for youth services (such as mental health care, housing and employment) in order to provide a smoother transition into adulthood.

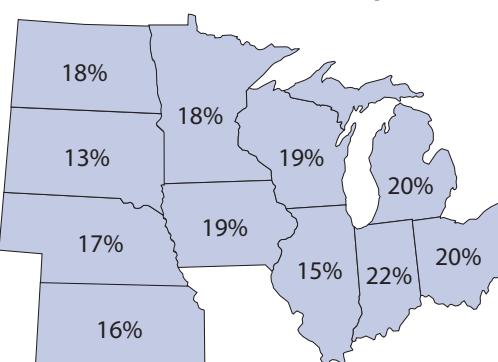
Workforce shortages can also be a barrier to receiving timely care. In response, states have begun allowing for the use of, and reimbursement for, telepsychiatry services, making professionals more widely accessible.

Policymakers are also removing regulatory barriers to offering psychiatric care in primary-care settings, addressing licensure issues across state lines, and promoting peer-support and family-education programs that offer more options for getting help.

Schools, too, can help by not only identifying potential mental-health problems, but providing a setting for children to get services. States have set aside funding to train school personnel in noting key warning signs and have integrated mental-health topics into student health curricula.

Minnesota is a national leader in school-linked

% of children with one or more behavioral, developmental or emotional conditions (2011-12)



Source: KIDS COUNT, Annie E. Casey Foundation

mental health services; for example, it provides grants to community providers to provide care within schools. Records are kept private, and the program allows families to receive care in a familiar, convenient setting.

While schools can be a setting for help, they can also be sources of trauma or bullying for students facing mental health issues. States can help address the stigma associated with mental health issues through awareness campaigns and continued anti-bullying legislation and programs, Diehl said.

Article written by Kate Tormey, policy analyst/assistant editor for CSG Midwest. She can be reached at ktormey@csg.org.

Early ordeals, lasting legacies: Lessons from the Roosevelts and Lincoln

Pulitzer Prize-winning author Doris Kearns Goodwin thinks America's best leaders never put themselves in an easy position and thrived, in part, because of the challenges they faced.

Goodwin, a featured speaker at the Midwestern Legislative Conference 2014 Annual Meeting in July, compared the leadership qualities of three presidents she has researched and written about — Abraham Lincoln, Theodore Roosevelt and Franklin Delano Roosevelt.

All three of the presidents' personalities were forged by ordeals early on in their personal and political lives.

Lincoln faced crippling depression after the loss of several important women in his life, dealt with an unsteady marriage and overcame political setbacks. Theodore Roosevelt had life-threatening asthma as a child and lost his first wife; FDR was paralyzed by polio in his 30s.

Goodwin said those crucibles changed these future presidents.

Lincoln, for example, became focused on his desire to "leave the world, as he said even then, 'a little better place for his having lived in it,'" Goodwin told the region's state legislators during her presentation.

Teddy Roosevelt developed an intense desire to push himself as far as he could and developed a love of the outdoors that would manifest itself in his conservation efforts to protect the nation's wild spaces. And although FDR may have been unable to walk after his bout with polio, his personality was forever changed.

"He'd always taken great pleasure in people, but

now they became his vital links with life," Goodwin said. "Far more intensely than before, he reached out to know them, to put himself in their shoes. No longer belonging to his old, privileged world in the same way, he came to empathize with the poor and unemployed, with people to whom fate had also dealt an unkind hand."

Goodwin said all three presidents also felt confident enough of themselves and their abilities to surround themselves with people who challenged their beliefs.

On the eve of World War II, she said, FDR brought in as the secretaries of War and Navy two top Republicans who were harsh critics of the New Deal. Lincoln, presiding over the early days of the Civil War, appointed each of his chief rivals

"No longer belonging to his old, privileged world in the same way, [FDR] came to empathize with the poor and the unemployed, with people to whom fate had also dealt an unkind hand."

Doris Kearns Goodwin

for the Republican nomination to top positions in his cabinet.

"A less confident man might have surrounded himself with personal supporters who would not question his (Lincoln's) authority," Goodwin said. "He was asked, 'Why are you doing this?' He said simply, 'The country is in peril. These are the strongest and most able men in the country. I need them by my side.'

And despite the hardships all three presidents faced, Goodwin said, all three "experienced the real joy of working in a position that stretched their talents and provided a deep sense of purpose."

"Teddy Roosevelt loved being president with every fiber of his being," she said. "He adored being at the center of the action. As his daughter Alice once quipped, 'He wanted to be the bride at the wedding, the baby at the baptism and the corpse at the funeral.'

"He never once complained about the pressures of the presidency; on the contrary, he relished the challenges."

Article written by Jennifer Ginn, CSG associate editor, who can be reached at jginn@csg.org.



Pulitzer Prize-winning author Doris Kearns Goodwin speaks to the Midwest's state and provincial legislators about the personality and leadership traits of three of America's most beloved presidents. This marked the third time she has spoken at a Midwestern Legislative Conference Annual Meeting.



North Dakota Sen. Tim Flakoll

Longtime educator and college administrator has a passion for giving all students a ‘passport’ to success through a quality education

by Kate Tormey (ktormey@csg.org)

Being a state lawmaker often involves examining big-picture items. But for Sen. Tim Flakoll, leading his state also comes down to helping individual North Dakotans.

One anecdote that helps him remember this goal comes from one of his first sessions in the legislature. He was getting ready to leave his house for the Capitol when a neighbor knocked on his door.

She sat down and told him her son had been diagnosed with a rare metabolic condition that required expensive care and medications to keep him alive. Flakoll agreed to sponsor a bill that helped provide care and support for the 11 families in the state affected by similar conditions. And for the years following, he took great pride in seeing that young man playing in the yard with his sister.

“Sometimes legislators think it’s about knocking down the big issues — but in reality it’s about helping one family, one kid at a time,” he says.

Flakoll takes this philosophy into his policy work on education, too. He has spent more than three decades in the field, as an educator and administrator. In addition to being the provost of Tri-College University, an agreement between three schools in the Fargo-Moorhead area, he is chair of the North Dakota Senate Education Committee.

“There are times when I have to ask, ‘Which person are you asking to this meeting, Tim Flakoll the provost or Tim Flakoll, chair of the Senate Education Committee?’ And sometimes it ends up being a little bit of both,” he says.

And the policy expertise makes him a good fit to represent his Fargo district, where each day 1 in 6.5 people goes to a higher-education campus as faculty, student or staff. One in 3.5 people goes to a K-12 school or college campus.

Flakoll’s own educational background is in animal science, but he has translated his experiences into a variety of ventures, such as serving as the general manager of a minor-league baseball team, teaching animal science, consulting on business startups and even doing movie reviews for a local radio station.

“A lot of learning is about transferability to whatever situation you find yourself in,” he says. “To be successful, it is not always about being lucky, but it’s also about finding the right niche and having the passion for what you want to do.”

Flakoll is the incoming chair of the Midwestern Legislative Conference. (CSG Midwest provides staffing services to this nonpartisan association of state legislators.) He will lead the organization in 2015 and will help host its Annual Meeting in Bismarck, N.D., on July 12-15.

“I have been fortunate to work with many talented and dedicated public servants and experts,” he says. Here are some excerpts from a recent interview with CSG Midwest.

Q: You spent six years in the front office of the Fargo-Moorhead RedHawks, a minor league baseball team. How did that experience translate into your legislative work?

Bio-sketch of Sen. Flakoll

- ✓ first elected to the North Dakota Senate in 1998; current president pro tem
- ✓ chair of the Senate Education Committee, was chair of the Agriculture Committee for 10 years
- ✓ provost of Tri-College University, a partnership between three area colleges
- ✓ academic training at NDSU, Harvard University and University of Oxford
- ✓ will serve as the Midwestern Legislative Conference chair in 2015

A: In the front office, we can’t control the wins and losses to a certain degree. But we can help make sure that we are fully prepared when the gates open in the spring, much like when the legislative session starts — if we have done a lot of homework in advance of the session or the season, that really pays dividends in terms of ensuring a successful product.

Beyond wins and losses, some of it was providing quality of life for people. It was affordable family fun, with \$1 hot dogs, etc. ... In a way, education is also about quality of life. In attaining an education, that is your passport to a better life — economically because you have more earning potential, but the data show that people are healthier, too.

We wanted [fans] to feel that they were connected to us, so we spent a lot of time listening so they felt they owned part of the team in a way. ... We’re in this together, and we wanted to give them the sense that we have done the best with what we have. And in the legislature, I want them to know that as their representative, I will try to come up with the best solutions possible.

Q: You helped pass a new higher-education funding formula that you hope will be one of your legacies as a legislator. Can you explain the bill?

A: Instead of a budget process where we said, “What did they get last time? Let’s add 6 percent or 10 percent to it,” it’s now based on successful credits completed [by the school’s students] and also accounts for more-costly programs to deliver. For example, nursing is a much more expensive program to deliver than a course where you can put 100 students in a lecture.

It took a lot of time and there was a lot of hard work put into it, but in the end we passed something that has been embraced. Other states are looking at it to see if that is something they want to copy.

Q: You also used your agricultural background on a recent bill regarding humane treatment of animals. What did the bill do?

A: We did not have a felony penalty on the books for the most egregious crimes, or enough clarity in our law, so there was a working group that looked at that issue for a couple of years.

I was the prime sponsor of the bill and helped shepherd it through pretty choppy waters. It makes sure there is a defined process, so people don’t have to worry that if they are half an hour late watering their animals, they are going to get thrown into jail. The new law protects animals and animal owners.

Q: You were also instrumental in putting together a major reform of North Dakota’s K-12 school system about five years ago. Can you talk about the merit scholarships included in the bill?

A: We incentivized greater rigor through merit scholarships [for students who achieved certain grade-point averages and standardized test scores]. We knew that not everyone could achieve that level of rigor, but we felt it would benefit them if they could, and we felt that those would be the students who went to two- and four-year colleges.

If we gave them a reward for taking a more rigorous course plan, and performing better on the ACTs, those families would really get behind it — and they embraced it.

When we required more rigor in high school, it is amazing how much that contributed to much better student outcomes in college.

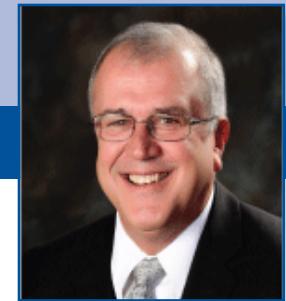
That is what North Dakota has been trying to focus on: We need students to perform at their highest level. One of the things we try to do is to challenge the student who is a highflier as much as we challenge a C student as much as a student at the far end of the spectrum.

With each of those students, you want to challenge them as much as possible, not teach to the C student only. Otherwise, we are devaluing those high-achieving students by not challenging them enough. We saw, without a doubt, when we challenge our students in North Dakota, they will respond.

Q: You also worked on a bill that put in place new curriculum requirements for graduation. Can you talk about the legislation?

A: We put in place, for the first time, curriculum requirements for graduation to make things much more uniform. ... What we want in our education system is that if students move from one district or system to another, we don’t want them to be held back, but move through very seamlessly.

Because of the oil boom, we have a lot of people who are migratory in North Dakota, and we have a lot of new Americans in the eastern part of the state. We need to make sure they have consistent outcomes, and at the end of the day, we want you to go from one place to the next without being hampered. We also want people to be able to move from eighth grade to high school and to successfully migrate from high school to college at any of the campuses in our state. *



Better land practices, cleaner water

Ohio bill creates certification program as first step toward reducing fertilizer-caused algal blooms polluting state's waterways

by Ohio Sen. Cliff Hite (<http://www.ohiosenate.gov/hite/contact>)

In the spring of 2013, the directors of Ohio's Department of Agriculture, Department of Natural Resources, and Environmental Protection Agency came to me in my role as the chairman of the Senate Agriculture Committee and introduced plans to limit the overabundance of nutrients in our soil — and thus our waterways, streams, lakes and ponds.

With an ever-growing problem of algal blooms polluting Ohio's water systems, it became evident that something had to be done to reduce the phosphorus, nitrogen and other materials that were exacerbating the situation. The evidence has been obvious in the West Basin of Lake Erie and other lakes in Ohio.

The agricultural community was getting the most blame for the algal bloom pollution in Ohio. We believed that legislation originating from Ohio's agricultural leaders to reduce nutrients in the soil would be the first step in trying to resolve this escalating problem.

SB 150, which Gov. John Kasich recently signed, is a bill involving all stakeholders, and one that received no opposition as a finished product.

Early disagreements resolved

Trust me, there was plenty of consternation during early committee hearings on this bill. However, with input from local farmers and our state's agricultural leaders, SB 150 came together with support from all parties.

The bill is, foremost, an education bill patterned after the established pesticide-certification process. SB 150 now requires those who apply

Causes of harmful algal blooms

- ✓ Warm temperatures and abundant sunlight
- ✓ Increased presence of phosphorus due to agricultural practices such as the high use of fertilizer or the presence of livestock near water supplies
- ✓ Effluent and runoff from towns near waterways
- ✓ Use of pesticides and other chemicals which affect organisms that would otherwise control algal growth

Source: National Oceanic and Atmospheric Administration Center of Excellence for Great Lakes and Human Health

Effects of harmful algal blooms

- ✓ Produce dangerous toxins that can sicken or kill people and animals
- ✓ Foul coastlines and close beaches
- ✓ Create "dead zones" in waterways that impact the ecosystem and state fishing and tourism industries
- ✓ Raise costs related to the treatment of drinking water
- ✓ Hurt industries that depend on clean water

Source: U.S. Environmental Protection Agency

Controlling nutrients remains high priority in federal Great Lakes protection

Starting in 2010, the federal government began making a historic, unprecedented commitment to Great Lakes restoration and protection. Under the Great Lakes Restoration Initiative, well over \$1 billion has flowed to the Great Lakes for local, state and regionwide projects.

Reducing nutrient runoff into the Great Lakes system, and thus preventing harmful algal blooms, has been a funding priority ever since the initiative began. GLRI dollars have been used to bolster the green infrastructure of coastline cities, enroll more land in agricultural conservation programs, and help farmers adopt sound nutrient-management plans.

A new draft plan for the GLRI (for fiscal years 2015 and 2019) was released earlier this year; it has eight long-term goals for the Great Lakes system.



LONG-TERM GOALS FOR GREAT LAKES

1) Fish safe to eat	5) Harmful/nuisance algal blooms eliminated
2) Water safe for recreation	6) No new self-sustaining invasive species
3) Safe source of drinking water	7) Existing invasive species controlled
4) All Areas of Concern delisted	8) Native habitat protected and restored to sustain native species

SB 150 requires those who apply fertilizer to obtain certification every three years by taking a course on nutrient management.

fertilizer to obtain certification every three years through an efficient educational course.

The course contains information on various aspects of fertilizer handling and application, including what is known as "the 4 R's of nutrient management" — the right fertilizer source, at the right time, in the right place, and the right rate — as well as the latest research on improving water quality in the state's lakes and streams.

The bill includes farms of 50 acres or more and focuses on fertilizer.

We attempted to streamline this process as much as possible; the buyer of fertilizer does not need certification if he is not the applier, and the educational program will be held by the Ohio Extension Offices and offered throughout the year.

The charge for these educational sessions will be set at no greater than \$35, and all aspects of this bill will be under the authority of the state Department of Agriculture.

The deadline to have certification is September 2017; anyone may be certified before that date if he or she wishes.

I have recommended that our agricultural community should set their own certification dates to have them correspond with the required pesticide certification.

It is my understanding that Ohio is the first state to take this approach to curbing our algae problems.

We are all aware that this move will not com-

pletely end our state's problems with algal blooms, but we are anticipating improvement over the next few years thanks to the leadership of Ohio's agricultural community.

We looked at this as a way for the agricultural world to put a positive foot forward, with the goal of inspiring other entities to ante up and kick in to address the problem.

There are numerous contributors to the algal bloom problem in Ohio, but our agricultural community felt the brunt of the responsibility and came up with a start in the right direction.

I am proud to have been a part of this groundbreaking legislation. ➤

Sen. Cliff Hite, a Republican from Findlay, was appointed to the Ohio Senate in 2011 after serving as a state representative from 2007-2011. Sen. Hite also serves on the Midwestern Legislative Conference Executive Committee.

Submissions welcome

This page is designed to be a forum for legislators and constitutional officers. The opinions expressed on this page do not reflect those of The Council of State Governments or the Midwestern Legislative Conference. Responses to any FirstPerson article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 630.925.1922 or tanderson@csg.org.

Nebraska hosts hundreds of legislators from region for Midwestern Legislative Conference Annual Meeting

Hundreds of state and provincial legislators from the Midwest traveled to Nebraska's largest city this summer to take part in the premier event for the region's policymakers.

The four-day Midwestern Legislative Conference Annual Meeting in Omaha covered a wide range of policy issues, many of which are covered in this edition of *Stateline Midwest*. The MLC's policy committees met on the first day of the conference (see pages 2 and 3).

Other session highlights included:

- a keynote session led by Joel Kotkin, an international authority on economic and demographic trends, on the future of the Midwest's economy (see cover story);
- a look at state fiscal trends and budget policy (see page 4);
- a presentation by Pulitzer Prize-winning author Doris Kearns Goodwin (see page 7);
- a featured presentation by Gary Moncrief, a leading scholar on state governments and legislatures (see page 6);
- expert-led roundtable discussions on state privacy laws in the "age of drones" and strategies to deliver mental health services for young people (see pages 6 and 7); and
- featured luncheon presentations by Adm.



Nebraska Sen. Beau McCoy, chair of the Midwestern Legislative Conference, addresses fellow legislators who attended the MLC Annual Meeting. He led the host state of Nebraska's planning for this year's event.

Cecil D. Haney, commander of U.S. Strategic Command (located in Nebraska); and former Nebraska state senator David Landis, who portrayed U.S. Sen. George Norris of Nebraska in a performance that explored the state's history of populism and its move to a unicameral legislature.

The meeting concluded with a professional development workshop for legislators. Also on

Words of praise from participants

"Excellent. Great speakers on current issues mixed with good humor — and many old BILLD and CSG friends attending the conference."

Michigan Rep. Phil Potvin

"The meeting provides useful and important information with ample opportunity for networking to exchange information good for our states."

North Dakota Sen. Dick Dever

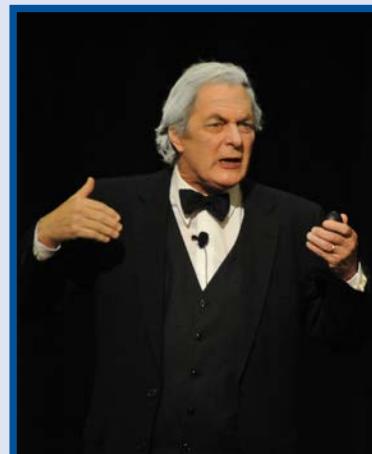
the final day of the event, the MLC approved nine policy resolutions (see page 11).

Next year's MLC meeting will be held July 12-15 in Bismarck, N.D. North Dakota Sen. Tim Flakoll, incoming chair of the MLC, will lead the host state's efforts (see page 8). Every year, the family-friendly event offers numerous activities for the children and adult guests of attendees.

Photos from the 2014 MLC Annual Meeting in Nebraska



Nebraska Sens. Jim Scheer and Galen Hadley talk to Gov. Dave Heineman between sessions.



In one of the most popular sessions this year, legendary Nebraska statesman George Norris is portrayed by David Landis, a former Nebraska state senator. Through his depiction of Norris, Landis provided an entertaining and informative history lesson on Nebraska populism and the state's move to a unicameral legislature.



Nebraska Sen. Heath Mello and North Dakota Rep. Kim Koppelman participate in the MLC Executive Committee meeting.



Nebraska Sen. Beau McCoy, chair of the MLC, and Tennessee Senate Majority Leader Mark Norris, current national chair of The Council of State Governments.



Iowa Rep. Deborah Berry and Saskatchewan MLC Dan D'Autremont take part in a policy discussion.

The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators in 11 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. The Canadian provinces of Alberta, Manitoba, Ontario and Saskatchewan are MLC affiliate members.

Iowa Sen. Janet Petersen to join MLC leadership team starting in 2015

Janet Petersen, a member of the Iowa Legislature since 2001, has been chosen by fellow state lawmakers to join the Midwestern Legislative Conference's leadership team.

The election took place this summer at the MLC's Annual Meeting in Nebraska. Sen. Petersen will serve as second vice chair in 2015 and is in line to be MLC chair in 2017.

A 2002 graduate of the MLC's Bowhay Institute for Legislative Leadership Development, Sen. Petersen spent her first 12 years of legislative service in the Iowa House. She was elected in 2012 to the state Senate, where she serves as chair of the Government Oversight Committee.

Nebraska Sen. Beau McCoy currently serves as MLC chair. In 2015, he will be succeeded by North Dakota Sen. Tim Flakoll, and Wisconsin Rep. Joan Ballweg will be the first vice chair. (A rotation of MLC officers typically takes place every year.) The fourth



Iowa Sen.
Janet Petersen

MLC products and services for the Midwest's state legislators

- ✓ Leadership training for new legislators (Bowhay Institute for Legislative Leadership Development, BILLD)
- ✓ Interstate cooperation and information sharing via the Midwestern Legislative Conference policy committees and the MLC Annual Meeting
- ✓ In-state professional development training and policy workshops (Under the Dome initiative)
- ✓ Tailored information-research assistance (Information Help Line) as well as general research on state policy trends (*Stateline Midwest* and www.csgmidwest.org)

officer position in the MLC is immediate past chair. It is now held by Minnesota Rep. Alice Hausman.

CSG Midwest provides staff support to the MLC, an association of all legislators in the region's 11 states. The Canadian provinces of Alberta, Manitoba, Ontario and Saskatchewan are affiliate members.

CSG is a national, nonpartisan organization that champions excellence in state government.

MLC adopts 9 policy resolutions at 2014 meeting

The Midwestern Legislative Conference has adopted a series of policy resolutions covering subjects that range from international trade and relations to agricultural practices and federal environmental regulations.

The full text of these resolutions, which were passed in July at the group's Annual Meeting in Nebraska, is available at www.csgmidwest.org.

• **Support for NAFTA** — Sponsored by the MLC's Midwest-Canada Relations Committee, this resolution commemorates the 20th year of the North American Free Trade Agreement. It also urges the United States and Canada to avoid policies that limit government purchases to domestically made products. Such purchasing policies, the MLC says, "run counter to the integrated nature of supply chains" between the two countries.

• **Opposition to higher inspection fees** — A second resolution from the Midwest-Canada Relations Committee asks U.S. officials to reconsider a proposed increase in a border fee that would disproportionately impact truck shipments (see page 2 for details).

• **Preventing spread of Asian carp** — In a resolution sponsored by the MLC Agriculture & Natural Resources Committee, the region's legislators urge the U.S. Army Corps of Engineers to identify a preferred alternative for preventing the movement of Asian carp and other invasive species between the Mississippi River and Great Lakes basins.

• **EPA rules on water** — A second resolution from the MLC Agriculture & Natural Resources Committee calls on the U.S. Environmental Protection Agency to extend the comment period for a proposed rule that would broaden the definition of waters subject to federal regulation under the Clean Water Act.

• **Weed treatment and use of cover crops** — This committee also sponsored two resolutions dealing with agricultural practices. One supports the development and testing of non-chemical alternatives to weed

How the resolutions process works

- **Step 1** ~ Resolution must be sponsored by a state legislator, a group of legislators or a Midwestern Legislative Conference committee.
- **Step 2** ~ Resolution then considered by the MLC Resolutions Committee, a bipartisan group of legislators from the Midwest.
- **Step 3** ~ Resolution then voted on by members of the MLC (those in attendance at the group's Annual Meeting). A majority vote is needed for a resolution approved by the Resolutions Committee. Unanimous consent is required for the MLC to consider a resolution either rejected or not considered by the Resolutions Committee.

control. The second supports a greater use of cover crops as a means for improving soil and water quality.

• **The long-eared bat: Endangered species?** — In response to the U.S. Fish and Wildlife Service's proposed listing of the long-eared bat as an endangered species, the MLC passed a resolution urging federal officials to "reconsider current voluntary provisions" as an alternative to such a listing. This resolution also came from the MLC Agriculture & Natural Resources Committee.

• **EPA's energy regulations** — New EPA regulations of fossil-fueled power plants also got the attention of the region's legislators. The new rules are designed to reduce carbon dioxide emissions. According to the MLC resolution, the proposed EPA regulations interfere "with the authority of the Midwest states to regulate electricity within their state borders." The same resolution requests that the EPA give states the flexibility to "integrate a variety of tools" to reduce CO₂ emissions. The resolution was sponsored by the MLC Agriculture & Natural Resources Committee.

• **Support for Taiwan** — A final MLC resolution recognizes the value of the Taiwan-U.S. economic relationship and supports Taiwan's involvement in various international organizations.



CALENDAR

UPCOMING MIDWESTERN LEGISLATIVE CONFERENCE AND COUNCIL OF STATE GOVERNMENTS EVENTS

HENRY TOLL FELLOWSHIP PROGRAM

September 5-10, 2014
Lexington, Kentucky
Application deadline: May 2

Contact: Kelley Arnold (karnold@csg.org)
800.800.1910
www.csg.org/LeadershipCenter/TollFellows.aspx

LEGISLATIVE AG CHAIRS SUMMIT

January 2-4, 2015
Clearwater, Florida

Contact: Carolyn Orr (corr@sarl.us)
www.agandruralleaders.org

70TH ANNUAL MEETING OF THE MIDWESTERN LEGISLATIVE CONFERENCE

July 12-15, 2015
Bismarck, North Dakota

Contact: Gail Meyer (gmeyer@csg.org)
630.925.1922
www.csgmidwest.org

21ST ANNUAL BOWHAY INSTITUTE FOR LEGISLATIVE LEADERSHIP DEVELOPMENT (BILLD)

August 21-25, 2015
Madison, Wisconsin

Contact: Laura Tomaka (ltomaka@csg.org)
630.925.1922
www.csgmidwest.org

CSG NATIONAL CONFERENCE

December 10-13, 2015
Nashville, Tennessee

Contact: Kelley Arnold (karnold@csg.org)
800.800.1910
www.csg.org

CAPITOL CLIPS

Three states in Midwest expanding their earned income tax credits

Low-income workers in **Ohio** will get additional tax relief as the result of changes made in June to the state's biennial budget. Following last year's creation of an earned income tax credit, the legislature chose to expand it — from 5 percent of the federal credit to 10 percent.

Nearly every state in the Midwest now has some type of EITC in place. It generally is some percentage of the federal credit for lower-wage workers. Ohio is the region's only state with a nonrefundable EITC: individuals don't receive cash refunds if the credit exceeds their tax liability.

The refundable EITCs in other Midwestern states are as follows: 10 percent in **Illinois** and **Nebraska**; 9 percent in **Indiana**; and 17 percent in **Kansas**. In **Iowa**, the credit rose to 15 percent this tax year as the result of 2013 legislation.

Earlier this year, **Minnesota** lawmakers increased their state's unique Working Family Tax Credit and expanded it to more families. According to the Center on Budget and Policy Priorities, Minnesota's credit currently averages to about 33 percent of the federal EITC. The benefit varies from household to household based on factors such as income levels and household size. **Wisconsin**'s EITC is only extended to families with children. It is 4 percent of the federal credit for one child, 11 percent for two children, and 34 percent for three children.

Rise in phone thefts leads to Minnesota law requiring 'kill switches'

Under a first-of-its-kind state law that takes effect next July, **Minnesota** will require all new smartphones sold within its borders to be equipped with an anti-theft "kill switch."

The passage of SF 1740 reflects growing concerns in Minnesota and other states about a rise in phone thefts. At the University of Minnesota, for example, 62 percent of the robberies on campus now involve a smartphone. In half of those incidents, police told lawmakers during legislative testimony earlier this year, a firearm was used by the criminal. Nationwide, the Federal Communications Commission estimates that more than 30 percent of all robberies today involve smartphones.

A "kill switch" allows owners of the phone to disable the device remotely.

According to *The Washington Post*, Minnesota is the first U.S. state to pass a "kill switch" bill; measures are also being considered in California and the U.S. Congress.

In April, many of the nation's leading wireless companies announced that they would voluntarily include kill-switch capabilities on smartphones manufactured after July 2015. Some lawmakers, though, would like these anti-theft features to be enabled on devices by default, rather than requiring consumers to opt in.

Illinois becomes first state to ban products with plastic microbeads

With the passage of SB 2727, **Illinois** has become the first U.S. state to ban the manufacture and sale of personal care products and over-the-counter drugs that contain plastic microbeads.

The bill is in large part a response to a recent two-year survey of plastic pollution in the Great Lakes. It found that microbeads (tiny particles often too small to be captured by wastewater systems) account for the highest count of plastic pollution in the freshwater system.

Starting in 2018, Illinois will prohibit the manufacture of personal care products with microbeads; the sale of these products will be banned a year later. A slightly longer time frame is in place for banning over-the-counter drugs that contain plastic microbeads. Legislation has also been introduced this year in four other Great Lakes states: **Michigan**, **Minnesota**, New York and **Ohio**. Under a bill passed by the New York Assembly (AB 8744), the microbeads ban (for personal care products only) would take effect in 2016. Some manufacturers, meanwhile, have already begun to phase out the use of plastic microbeads in their products.

Lakes Huron and Erie have particularly high levels of plastic pollution.

Indiana's 'right to work' law headed to state Supreme Court

The future of a controversial **Indiana** "right to work" law (dubbed "right to work for less" by opponents) is now in the hands of the state's Supreme Court.

According to *The Indianapolis Star*, oral arguments were set to begin in early September. The 2012 law has been ruled unconstitutional by two lower-court state judges. In contrast, it survived a legal challenge in federal court.

Indiana is one of 24 U.S. states (including **Iowa**, **Kansas**, **Michigan**, **Nebraska**, **North Dakota** and **South Dakota**) that prohibits employer-union pacts in which individuals must become a member of a labor organization and pay dues to it. Two years ago, Indiana's actions garnered national attention because they marked the first time that a state in the Great Lakes region (a traditional union stronghold) had adopted "right to work."

The two lower-court judges ruled that the law conflicts with a part of the Indiana Constitution that reads: "No person's particular services shall be demanded, without just compensation." In the case of unions, those services include negotiating contracts and handling grievances that, under federal law, must be extended to all employees — whether or not they support the union. As a result, the judges ruled, requiring the payment of union dues ensures "just compensation" for those "particular services."